

ATTACHMENT 1

ADMINISTRATIVE FUNCTIONS AND AREAS OF RESPONSIBILITY: COMMON TERMINOLOGY

Figure 1 presents this listing in a flow chart form.

1. **Policy Oversight:** Determines overall policy direction and priorities, including short- and long-term energy efficiency and procurement goals (e.g., gwh, MW and therm savings from energy efficiency); approves funding for program portfolio and evaluation, measurement and verification (EM&V).
2. **Quality Assurance:** Establishes policies, protocols and evaluation criteria for measurement program performance (e.g., energy savings) and the effectiveness of programs in meeting policy goals. Periodically evaluates the effectiveness of the overall structure for managing and administering the Energy Efficiency portfolio.
3. **Research and Analysis in Support of Policy Oversight:** Provides research and recommendations to assist in development of the Energy Efficiency policy goals and priorities, program performance goals and funding levels, including evaluation of the remaining potential to achieve additional energy or peak savings, in both the short- and long-term. Provides other research tasks, as needed, related to procurement and Public Goods Charge funded activities.
4. **Program Choice:** Develops the portfolio(s) of programs to meet the short- and long-term goals. Solicits and/or develops and selects programs in the portfolio mix; submits general program description and budgets for approval.
5. **Portfolio Management of Energy Efficiency Programs:** Responsible for general administration, and coordination of programs, including tracking program savings and expenditures against program savings goals and budgets; develops reports on individual and comparative program performance; reviews program performance and proposes funding or design changes based upon experience to date; oversees contracting and program implementation process; implements quality assurance tracking protocols; reviews and approves invoices; generates required reports and maintains centralized system for reports to regulators, legislators, advisory groups, and others.

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6. **Management of Portfolio-Level EM&V:** Establishes EM&V plan for the portfolio of programs, selects evaluation firms and manages portfolio-level EM&V consistent with adopted policies, protocols and budget priorities; provides feedback on the overall objectivity and accuracy of EM&V program results and makes recommendations for improvements; recommends portfolio-level EM&V studies, other evaluation priorities, or funding modifications as needed. The EM&V activities described under #7 feed into this EM&V function.
7. **Management of Individual Program EM&V:** Selects evaluation firms and manages the evaluation of individual programs consistent with EM&V protocols; oversees verification of program milestones, load impacts, completion of cost-effectiveness evaluations and other appropriate measurements.
8. **Fiscal Agent:** Responsible for holding and dispersing fund.
9. **Dispute Resolution:** Resolves disputes among administrative entities and implementers, including third-party contractors.
10. **Program Implementers¹:** Implements programs based on contracts/agreements with portfolio manager; recruits customers, collects data on program milestones and provides periodic reports on progress towards goals; delivers program directly and/or hires contractors/firms to deliver program.

¹ Program implementers do perform administrative tasks necessary to manage the delivery of programs for which they are funded, including overseeing their contractors, collecting data, preparing invoices and reports. In fact, for this reasons we refer to program implementers as "administrators" in other Commission decisions related to energy efficiency. However, for the purpose of establishing a common terminology for the key functions and areas of responsibility that we address today, we make a distinction between "implementers" and the administrative functions presented above.

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(END OF ATTACHMENT 1)